

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

REVIEW REPORT
OF
LOGANSPOUT STATE HOSPITAL
STATE OF INDIANA
January 1, 2001 to March 31, 2004

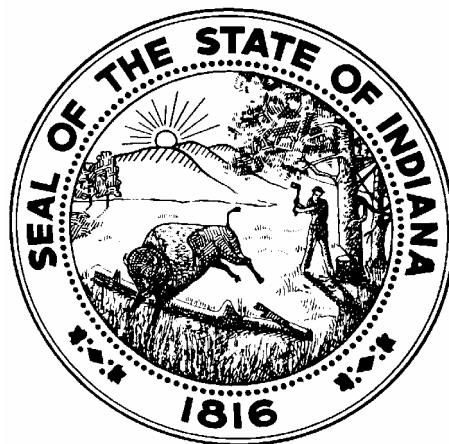


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AGENCY OFFICIAL

Office

Official

Term

Superintendent

Mr. Jeffrey H. Smith, Ph.D.

07-01-00 to 6-30-05



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LOGANSPOUT STATE HOSPITAL

We have reviewed the receipts, disbursements, and assets of the Logansport State Hospital for the period of January 1, 2001, to March 31, 2004. Logansport State Hospital's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Logansport State Hospital are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

June 2, 2004

LOGANSPOUT STATE HOSPITAL REVIEW COMMENTS

CANTEEN FUND – REDEEMED COUPONS

The Canteen, Hillside Café, at Logansport State Hospital does not reconcile the coupons collected at their cash register on a daily basis. Redeemed coupons are being destroyed after the café closes for the day and sometimes even during operating hours. The cafe manager stated that she occasionally reconciles the coupons to the register tapes. When asked to be more specific, she stated that the reconcilements were made about once a week.

Cash register tapes indicating the total sales for the day, broken down to indicate cash and coupon sales, are submitted to the Business Office along with the cash collections. Redeemed coupons are not submitted to the Business Office personnel.

"The Business Office should reconcile the cash and redeemed coupons to the Canteen Manager's Report prior to deposit. Cancelled coupons should be retained for audit by the State Board of Accounts." Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 13.

ATTENDANCE REPORTS

We observed that employee attendance reports were frequently signed and dated prior to the last day worked.

Employee attendance reports should not be signed, dated or approved prior to the last day worked in a pay period. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 9)

SDO FUND

The Special Disbursing Officer Fund (SDO) does not reconcile to the amount advanced. As of March 31, 2004, the fund is \$49.59 more than the amount needed to balance to the advance.

At all times, the unreimbursed disbursements plus any advances to office cash or subsidiary checking accounts plus the SDO checking account balance must equal the local purchase advance. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 7)

The Special Disbursing Officer is accountable at all times for all sums advanced. The SDO officer may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 7)

LOGANSPORT STATE HOSPITAL
EXIT CONFERENCE

The contents of this report were discussed on June 2, 2004, with Mr. Robert Clover, Assistant Superintendent; Mrs. Lois Jean Hipkind, Business Administration; and Mrs. Debra Middleton, Account Clerk III. The official response has been made a part of this report and may be found on Pages 6 through 8.



*"People
helping people
help
themselves"*

Joe Kernan, Governor
State of Indiana

***Logansport State Hospital
Division of Mental Health and Addiction***

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Cheryl Sullivan, Secretary

To: Pam Williams, State Auditor

Cc: Jeffrey H. Smith, Ph.D., Superintendent
Lois Jean Hipskind, Business Administrator
Dianne Renner, Director of Human Resources
Debb Middleton, Lead Purchasing Clerk

From: Robert Clover, Assistant Superintendent

Date: June 1, 2004

Re: Plan of Correction for Items Cited in the Audit Review Results and Comments

Canteen Fund – Redeemed Coupons

Attached is the new policy and procedures that will be implemented June 1, 2004 to correct the situation of not reconciling the coupons each day at the Hillside Café as well as not storing them for the next audit.

Policy: Per the Indiana Accounting regulations, the coupons cashed at the Hillside Café must be reconciled daily to the cash-register tape of the amount of coupons, verified by the Business department, and stored, marked by day, from one State Board of Accounts audit to the next one so that they may be verified by the Auditor.

Attendance Reports

In an effort to ensure that employee attendance reports are signed and dated correctly, Dianne Renner, Human Resource Director, stated that a memo will be distributed to all employees regarding procedures for completing timesheets, including a remind that they are not to be signed by the employee until the last day in the pay period that they work. Human Resources staff will review timesheets for appropriate completion and advise supervisors of any corrections that must be made. Supervisors are expected to insure that employees' timesheets are correct as part of their supervisory responsibilities and that will be reflected on their performance appraisal.

SDO Fund

To ensure that the SDO Fund always balances to the \$27,000 advancement, a spreadsheet will be reinstated to ensure that the fund balances at all times. This spreadsheet has already been populated by this fiscal year's entries and will reflect the year's activities correctly.

J.C.A.H.O. Accredited
Equal Opportunity/Affirmative Action Employer



Policy: Per the Indiana Accounting regulations, the coupons cashed at the Hillside Café must be reconciled daily to the cash-register tape of the amount of coupons, verified by the Business department, and stored, marked by day, from one State Board of Accounts audit to the next one so that they may be verified by the Auditor.

Procedure:

1. Hillside Café Coupon Tally Sheets may be requested from Patient Accounts in groups of 50.
2. The dollar value of each denomination of full coupon books must be listed at the top of the Tally Sheet by denomination (\$1, \$2, \$3, \$4, \$5, and \$10).
3. During the day and after the Hillside Café has closed, the loose coupons must be stapled in groups of 10 strips of each denomination (.01, .02, .05, .10, .25, and .50) with a heavy-duty stapler so that they will remain stapled. The value of each strip of ten is noted on the Hillside Café Coupon Tally Sheet to make it easier to record the total dollar value on each line of the Tally Sheet.
4. The coupons that are taken in that are not in complete strips of 5 each need to be scotch-taped together to make strips of 5. As the last step of counting each denomination, the loose coupons that won't make a group of ten strips must be stapled together with the total written on the back of the last strip and included in the total dollar amount for that denomination.
5. The total amount of the coupons is put on the 1. Sub Total line.
6. The cash register tape total must be put on the 2. Cash Register Tape Total line.
7. If the 1. total is larger than the 2. total, the difference is put on the Cash Over line.
8. If the 2. total is larger than the 1. total, the difference is put on the Cash Short line.
9. A Hillside Café worker puts her initials on the Tally Sheet to the right of the Hillside Café worker's Initials notation at the bottom.
10. The coupons are to be put in a paper sack with the Tally Sheet included in the sack and will be picked up by the Cashier for verification when she picks up the cash the next day.
11. By the end of the day, the Cashier will verify or note the difference to the left of the Hillside Café worker's figures on the Tally Sheet and initial to the right of the Cashier's Initial notation at the bottom of the Tally Sheet.
12. The Cashier will then staple the verified Tally Sheet to the outside of the paper sack.
13. A Hillside Café worker will pick up the sack of coupons each day for storage in the basement of the Fogel building, arranging them by day so that they may be pulled for verification when the State Auditor comes.

LOGANSPOUT STATE HOSPITAL
Hillside Café Canteen Book Tally Sheet

Date _____

COUPONS	
Today's: Full books	
\$10	
\$5	
\$4	
\$3	
\$2	
\$1	
0.50 10 strips= \$25	
0.25 10 strips= \$12.50	
0.10 10 strips= \$5	
0.05 10 strips= \$2.50	
0.02 10 strips= \$1	
0.01 10 strips= \$.50	
1. Sub Total	
2. Cash Register Tape Coupon Total	
If 1. is larger than 2., enter here as Cash Over	
If 2. Is larger than 1., enter here as Cash Short	

Canteen Worker's Initials _____ Cashier's Initials _____

LOGANSPOUT STATE HOSPITAL
Hillside Café Canteen Book Tally Sheet

Date _____

COUPONS	
Today's: Full books	
\$10	
\$5	
\$4	
\$3	
\$2	
\$1	
0.50 10 strips= \$25	
0.25 10 strips= \$12.50	
0.10 10 strips= \$5	
0.05 10 strips= \$2.50	
0.02 10 strips= \$1	
0.01 10 strips= \$.50	
1. Sub Total	
2. Cash Register Tape Coupon Total	
If 1. is larger than 2., enter here as Cash Over	
If 2. Is larger than 1., enter here as Cash Short	

Canteen Worker's Initials _____ Cashier's Initials _____